

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Modernizing the E-rate)	WC Docket No. 13-184
Program for Schools and Libraries)	

**COMMENTS BY ECHALK, INC.
in response to**

**NOTICE OF PROPOSED RULEMAKING:
MODERNIZING THE E-RATE PROGRAM FOR SCHOOLS AND LIBRARIES**

Introduction:

eChalk thanks the FCC for its continued support of the E-rate program. eChalk provides email and web hosting services directly to schools around the country and has been participating in E-rate as a service provider nearly since the program’s inception. Working with thousands of schools nationally, we see firsthand the benefits that come from the utilization of services purchased through E-rate and how webhosting and email services directly impact the former mission of E-rate to:

“promote competition and reduce regulation in order to secure, lower prices and higher quality services for American, telecommunications consumers and encourage the rapid deployment of, new telecommunications technologies”

and the updated goals of:

“ensuring that schools and libraries stated vision of “supporting digital learning”.

eChalk appreciates the opportunity to provide comments here on the NPRM entitled Modernizing the E-rate Program for Schools and Libraries. This NPRM is an ambitious look at the complexities of the E-rate program.

eChalk applauds the goals of increasing access to broadband, maximizing cost effectiveness and streamlining the E-rate program. It is clear from the scope of the NRPM that an incredible amount of work went into reviewing the program and suggesting possible improvements. However, eChalk was surprised to see very little mention of an increase in program funding, especially when funding is readily available. When the Telecommunications Act of 1996 was passed, total wireless revenue was at \$27.4B.

By the end of 2012 that number had grown to \$185B¹. This massive growth was a boon for telecommunication companies and should be a boon for funding the E-rate program. eChalk encourages the FCC to put a higher priority on increasing funding, the program's most significant problem. Shifting priorities and improving processes is laudable, but to do so without identifying a solution to the lack of funding is simply delaying an inevitable program crisis.

Comment on Paragraph 97: Should email and web hosting services be removed from the Eligible Services List?

No. eChalk argues to maintain the eligibility of email and web hosting services because we believe these services to be "integral, immediate and proximate to the education of students," a key requirement for eligibility. First we will address email service. Email has become an essential and ubiquitous communication tool. Much more valuable, powerful and utilized than phone service, email has become the voice of educators and learners in K-12. Over the 10 years that eChalk has participated in the E-rate program, we have seen firsthand how email use has grown and changed within the educational community. Today, in many cases, email is the primary form of communication between teachers and parents, teachers, and administrators. Email is used by teachers to facilitate 24/7 learning and 21st century learning skills by providing a form of communication between students and teachers outside of the classroom. Email communication allows for critical information sharing and collaboration among all stakeholders within the school community. And, email offers a safe, secure and achievable form of communication not available in other forms of communication. Finally, email serves as an invaluable tool for communicating during school emergencies when information needs to be disseminated quickly to large numbers of people.

Similar to email, web hosting and the communication tools associated with it provide a critical component of successful education in the 21st century. In simple terms, web hosting services allow schools or libraries to easily post and share information on the internet in real time and in the most cost effective and efficient manner available. Most web hosting companies in the education market provide template tools to make this easy for school members – these tools are designed specifically for schools to include critical education focused features and are safe and secure for children making them valuable to all stakeholders in the education environment. As students and parents migrate more and more to the web as their first stop for information, web hosting services provide the tools for that information to be shared quickly and easily. Some examples of the type of information often shared are: homework, calendars, lesson plans, curriculum, IEPs and other information required for special needs students, and emergency information. Students can offer comments on each other's work, teachers can share best practices, and a child who is absent will have access to homework without the teacher having to put together a packet. Without a doubt, these tools have direct educational application. The web is the number one place people turn to for information today. To un-fund these services would be to silence the schools and restrict their ability to reach their students, teachers, parents and administrators effectively rendering the investment in broadband for the schools worthless.

¹ ¹ "50 Wireless Facts", CTIA Advocacy, 01-09-2013, <http://www.ctia.org/advocacy/research/index.cfm/aid/10323>

In a related comment, eChalk would like to address the issue raised in the NPRM that web hosting services are “cloud based and offered basically free to other users.” This is entirely inaccurate. While there are free services, the privacy policies are unacceptable to many, including 36 State Attorney Generals who expressed their concerns to Google in 2012, and went large ignored. The willingness of consumers to sell their identity for free services is one thing. The willingness of our schools to do the same with minors is entirely another. Without E-rate funding to allow for smarter purchasing, poorer schools will be faced with no choice other than to offer services which put students’ identities at risk while the wealthier schools can choose companies that, for a modest fee, pay to protect their students. Few, if any of these ‘free services’ are enterprise grade which forces schools and districts to contend with the very real costs of having to implement, configure, manage and support these services on an ongoing basis. Lastly these services have not been designed to address the real and unique security needs of K-12. Being designed specifically for k-12 means that the tools are actually effective in a way that other tools designed for a different market (i.e. business or individuals) cannot be. This is precisely the reason an entire industry has sprung up to serve schools that were dissatisfied by services designed for businesses or for individuals. In short, eChalk and other web hosting services participating in E-rate provide an education specific service that protects the safety of the users and the school community.

eChalk would also like to comment on an issue raised in a prior proceeding by SECA and noted by the FCC in this NPRM. SECA asserts that web hosting providers in this space are inflating their prices to cover the cost of the ineligible services. eChalk wholly disagrees with this assertion. For almost a decade eChalk has worked directly with the SLD to provide an open and transparent review of our costs for the purpose of establishing our E-rate eligibility percentage. eChalk in no way “skews” its pricing and believes in the competitive market to weed out any services who can’t meet the needs of its clients at a reasonable price. If there were other service providers offering quality services like eChalk’s at a reduced fee, we believe the schools would find them. We don’t believe the FCC should play the role of pricing police, and should rely on the marketplace and competition to set fair prices. Indeed, if anything, the opposite has occurred with unscrupulous vendors promising to offer more for less and then being unable to deliver. This has caused noise in the market, confused schools and hurt teacher and students who depend on a reliable system. Finally, it should be noted that at \$28 million for FY 2011, web hosting still only represents just over 1% of all E-rate funding.

Comments on formal proposals discussed in this NPRM

1. *Proposal to simplify the ESL to eliminate the regulatory categories of Telco and Internet Access so an applicant can receive services from any service provider.*

eChalk supports this proposed change if it can be made in a way that truly simplifies the process and make it easier for applicants.

2. *In the area of transparency, the FCC proposes to provide options for informing applicants about Service Provider pricing. Specifically, the NPRM seeks comments on various aspects of transparency, including:*

- *Transparency of E-rate spending;*

- *Transparency of prices available for E-rate supported service;*
- *Transparency of prices being bid for E-rate supported services;*
- *Transparency of actual purchase prices.*

eChalk supports the general concept of transparency in the E-rate program. However, a cornerstone of competition in this market is proprietary pricing information. Competition would suffer if vendors were allowed to see each other's pricing. In addition, what would be the process by which a service provider would share this information? eChalk suspects that in addition to being anti-competitive, this proposal would create another level of bureaucracy, complexity and enforcement in a program that already has large doses of all three. If there is a critical need to see pricing, bid responses are available via FOIA request after the bid has been awarded. eChalk does not support the proposal to make pricing for E-rate supported service publicly available.

3. *Proposal around multi-year contracts: if there are no changes and the contract is 3 years or less, the applicant will have to complete only one Form 471.*

eChalk supports the concept of streamlining the process for applicants who have entered into a multi-year contract. If the contract contains no changes at all, it is duplicative to refile a 471 with the same information as the prior year. Additionally, there could be a supplemental form created, to allow for reporting on minor contract changes that reflect an increase or decrease in amount of service. Such changes are often necessary due to fluctuating student populations and needs. Additionally, eChalk would propose that any process changes provided to applicants entering into multi-year contracts be extended to applicants who are voluntarily extending existing contracts which are unchanged. eChalk would encourage a limit of 5 years for a multi-year contract or voluntary extensions, rather than the proposed 3 year term.

4. *Proposal to increase the document retention requirements from 5 to 10 years.*

eChalk does not support this proposed requirement. The document retention rules as they stand create a burden on program participants. Increasing that requirement to 10 years only increases the burden and the cost of services to the school, the vendor and the SLD. eChalk encourages the SLD to review each requirement to understand the time and cost burden it requires from each stakeholder group

5. *Proposals regarding changes in signatures and certification requirements. A proposed requirement that forms 473 and 474 are signed and certified by a corporate officer of the Service Provider.*

eChalk supports the proposal to require a corporate officer to sign E-rate documents.

6. *Proposal to modify the process to permit schools and libraries to receive disbursements directly from USAC and to adopt specific invoice deadline and invoice deadline extension rules.*

eChalk supports the proposal to streamline the invoice and disbursement process by providing BEAR reimbursements directly to the applicant, eliminating the pass through of the funds to the service provider. Eliminating that step in the process will reduce the burden on service providers and increase the speed at which applicants are reimbursed.

Seventeen years after the launch of E-rate, the US is further behind other nations in their investment in broadband and, more importantly, our investment in connecting our learners. And while the *place* where learning is happening in K-12 is changing at an unprecedented rate the *manner* in which students and teachers are communicating is remaining consistent. Is bringing broadband to a school building important? Yes. Is it more important to bring a voice and the ability to communicate to our teachers and students no matter where they are? Absolutely. And, for about 1.6% of the entire E-rate funding this should be a non-issue.

Maximize cost effectiveness of the program by focusing the requirements of school and vendor. Reduce costs by streamlining process, administration, and payment. Hold the SLD to an approval and payment process that does not last more than three months. These few changes will likely more than recover the 1.6% of funding going to email and webhosting tools that schools increasingly rely on and it will ensure equal access and a choice so they do not have to jeopardize the students' safety and security online.

Thank you for the opportunity to comment.

Respectfully Submitted,

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